



DREAM UNLIMITED CORP. REPORTS SECOND QUARTER RESULTS & SOLID FINANCIAL OUTLOOK FOR 2017

This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.

TORONTO, AUGUST 14, 2017, Dream Unlimited Corp. (TSX: DRM and DRM.PR.A) (“Dream”, “the Company” or “we”) today announced its financial results for the second quarter ended June 30, 2017.

“Dream’s second quarter financial results shed little insight on the value of the business as our achievements have yet to be realized in the statements”, said Michael Cooper, President & Chief Responsible Officer. “In terms of our accomplishments, we are on track to increase our housing lots sold by 90% over last year and our houses occupied by 150%, we have achieved major approvals for over 1,000 acres of land in Regina and a 49-storey building in Toronto’s Distillery District, we have achieved growth in our recurring asset management business and we have simplified our corporate structure.”

As at June 30, 2017, the Company’s equity was \$7.57 per share, up from \$7.39 per share since the beginning of the year. Since our first reporting period as a public company four years ago, our book value per share has more than doubled, representing a compound annual growth rate of approximately 19%.

A summary of our results for the three and six months ended June 30, 2017 is included in the table below.

(in thousands of Canadian dollars, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
Revenue	\$ 45,425	\$ 96,391	\$ 97,073	\$ 197,687
Net margin	\$ 6,382	\$ 31,662	\$ 21,291	\$ 64,931
Net margin % ⁽¹⁾	14.0%	32.8%	21.9%	32.8%
Earnings before income taxes	\$ 3,958	\$ 45,644	\$ 20,903	\$ 73,647
Earnings for the period ⁽²⁾	\$ 2,001	\$ 32,912	\$ 13,439	\$ 51,887
Basic earnings per share ⁽³⁾	\$ 0.02	\$ 0.29	\$ 0.11	\$ 0.46
Diluted earnings per share	\$ 0.02	\$ 0.29	\$ 0.11	\$ 0.45
Weighted average number of shares outstanding	94,040,057	78,248,362	87,506,775	78,257,994
Total issued and outstanding shares ⁽⁴⁾	109,207,460	78,248,362	109,207,460	78,248,362
			June 30, 2017	December 31, 2016
Total assets			\$ 1,656,162	\$ 1,612,314
Total liabilities			\$ 829,980	\$ 780,803
Total equity			\$ 826,182	\$ 831,511
Total equity per share, fully diluted ⁽⁴⁾			\$ 7.57	\$ 7.39

⁽¹⁾ Net margin % (see “Non-IFRS Measures” on page 44 of our management’s discussion and analysis (“MD&A”) for the three and six months ended June 30, 2017) represents net margin as a percentage of revenue.

⁽²⁾ Included in earnings in the six months ended June 30, 2016 is net margin of \$24.5 million (\$18.0 million after tax) from the sale of 172 undeveloped acres of land to the Province of Alberta to construct parts of the Calgary Ring Road. It is not in the Company’s normal course of operations to sell undeveloped land. For further details refer to page 17 of our MD&A for the three and six months ended June 30, 2017.

⁽³⁾ Basic EPS is computed by dividing Dream’s earnings attributable to owners of the parent by the weighted average number of Dream Subordinate Voting Shares and Dream Class B shares outstanding during the period.

⁽⁴⁾ In the three months ended June 30, 2017, 31,533,682 Subordinate Voting Shares of the Company were issued to Dream’s President and Chief Responsible Officer as part of a share exchange agreement. Refer to page 37 of our MD&A for the three and six months ended June 30, 2017 for further details. Prior to this transaction, these shares were recorded as part of non-controlling interest. There was no change to the Company’s total equity per share, on a fully diluted basis as a result of this transaction.

Solid 2017 Financial Outlook:

- Year to date, Dream generated \$20.9 million of earnings before income taxes, which was in line with management’s expectation. We expect to achieve approximately 950 lot sales, 33 acre sales, 350 housing occupancies and 50 condominium unit occupancies by the end of 2017, which compares to 158 lot sales, 77 housing occupancies and 2 condominium unit occupancies achieved year to date. Despite lower than average lot sales and condominium unit occupancies in 2017, we expect to generate net income before taxes in 2017 of approximately \$85.0 million based on these metrics and our recurring income sources, which is still a typical year of profitability considering the Company’s historical performance over the last ten years. We anticipate our lot sales and condominium occupancy volumes to increase in future years, as we are currently in the planning stages for developing new master-planned communities in Western Canada and several large residential/mixed-use development projects in Toronto and Ottawa.

- In the six months ended June 30, 2017, recurring income from asset management, equity investments in the Publicly Listed Funds and investment and recreational properties was \$36.0 million, up 20% from the comparative prior year period. For further details on our recurring income sources, refer to page 9 of our MD&A for the three and six months ended June 30, 2017.

Executive Management Team Appointments:

The Board has approved the following executive management team appointments:

Daniel Marinovic, formerly Senior Vice-President of Western Canada Land and Housing, has been appointed as Chief Development Officer of Dream effective July 2017. Having overseen our Western Canada land and housing division for the past four years, Mr. Marinovic will also be responsible for overseeing the execution of the Company's mixed-use, residential and commercial developments within the GTA and Ottawa. Dream has over 9 million square feet ("sf") of residential gross floor area ("GFA") and approximately 5 million sf of retail/commercial/industrial GFA in projects under construction or in the planning phases, in addition to the near 10,000 acres of land in Western Canada either held or under development. Daniel Marinovic commented: "Our development business has incredible opportunities, both here in Ontario and throughout our Western Canada communities. I look forward to working with our teams to capitalize on synergies across our development platform and planning the development of best-in-class communities across all of our Canadian cities."

Pauline Alimchandani, the Company's Chief Financial Officer ("CFO") has been appointed Executive Vice President and CFO effective August 2017. Ms. Alimchandani was appointed CFO in February 2014 and currently oversees all aspects of finance and strategy for Dream. In addition to her current responsibilities, as Executive Vice President, Ms. Alimchandani will also take on a much more active role alongside the President and Chief Responsible Officer in the general management and growth of Dream, including all investment and operating decisions impacting the business. Ms. Alimchandani commented: "Dream has many exciting opportunities ahead. I look forward to contributing towards our long term strategic and growth objectives across all our business lines in my expanded leadership role."

Key Achievements: Condominium and Mixed-Use Developments

- In the three and six months ended June 30, 2017, Dream had minimal condominium unit occupancies as there was limited inventory available for occupancy within the period. Condominium occupancies are expected to commence in the third quarter of 2017 for The Southwood, which is 96% sold as of August 11, 2017. The Company is in the planning stages for an additional 7,300 residential units in Toronto and Ottawa (at project level share) which are expected to be developed over the next few years. Refer to page 23 of our MD&A for the three and six months ended June 30, 2017 for a complete list of our condominium projects.
- In the second quarter of 2017, the Company sold the remaining units of Canary Block 16, within Stage 2 of the Canary District to achieve 100% sales. Block 16, which had a market launch earlier in 2017, is a 12-storey residential building with 187 condominium units and approximately 9,000 sf of retail. The next building within Stage 2 of the Canary District, Canary Common (formerly Block 12), is comprised of approximately 400 condominium units and approximately 16,000 sf of retail, and is expected to have a market launch in the fall of 2017. As part of the Stage 2 lands (which comprise three separate development Blocks), the partnership expects to develop a total of 1,100 condominium units and 30,000 sf of retail in addition to the 30,000 sf in Stage 1, which is 82% leased to date. Dream currently expects to begin construction of Block 16 in the fourth quarter of 2017, for first occupancy by late 2019.
- Zibi, our partnership with Windmill Development Group Ltd., commenced construction on the first phase of Quebec infrastructure work in the three months ended June 30, 2017. This marked a significant milestone for the project which acquired the 22 acres of land along the Ottawa River in Gatineau, Quebec in 2015. We expect to close on the Ontario lands, which make up an additional 15 acres, in the third quarter of 2017. The project concept plan, inclusive of all 37 acres, includes over 3 million sf of density that consists of over 2,000 residential units and over 1 million sf of commercial space. To date, two condominium buildings have had a market launch ("O" and "Kanaal") which comprise 141 units and were 64% pre-sold as of August 11, 2017.

In August 2017, the Cirque du Soleil premiered the production of Cirque du Soleil VOLTA™ at Zibi. The show is expected to run for the month and attract approximately 100,000 people to the site.

- Subsequent to June 30, 2017, the Ontario Municipal Board issued its decision approving the zoning for two additional buildings (49 and 12 storeys) within the Distillery District, in downtown Toronto. Although still in the planning stages, the approval was a noteworthy accomplishment as the zoning will permit approximately 890,000 sf of GFA to be developed within the two buildings, which we currently expect will yield over 600 condominium units. Construction is expected to commence on the first building in 2019.

Key Results & Approval Highlights: Western Canada Land & Housing

- In the three months ended June 30, 2017, Regina's City Council formally approved the Neighbourhood Plan for Dream's master-planned community of Coopertown. The Neighbourhood Plan provides a development strategy for transitioning, over the long term,

a large section of Regina's northwest quadrant from its current agricultural state to a fully urbanized landscape that will include new neighbourhoods, an urban centre, parks and schools. Coopertown is expected to accommodate a significant part of the City of Regina's population growth and has the potential to accommodate at least 35,000 people. Dream owns approximately 1,045 acres of the 1,900 acres within the Coopertown Neighbourhood planning limits. Dream expects the development of its 1,045 acres to commence in 2018 and yield over 10,000 single and multi-family residential units and nearly 500,000 sf of commercial space over the life of the project. The approval of these lands is considered to be a major milestone for the Company.

- In the three months ended June 30, 2017, we achieved 61 lot sales and 46 housing unit occupancies (three months ended June 30, 2016 – 55 lot sales and 24 housing unit occupancies). Approximately 78% of our lots sold year-to-date were within our active developments, Brighton (Holmwood) in Saskatoon, Harbour Landing and Eastbrook in Regina and the Meadows in Edmonton. Year to date, we have achieved 158 lot sales and 77 housing unit occupancies. As at August 11, 2017, an additional 680 lots, 26 acres and 160 housing units were subject to future sales commitments that are expected to be realized in net margin in 2017.

Asset Management

- Fee-earning assets under management at August 11, 2017 were approximately \$7.9 billion across the publicly listed funds and our private institutional and development partnerships. Total assets under management, which includes non-fee earning assets were approximately \$14.8 billion.
- Net margin from asset management was \$7.1 million, or 76.7% of revenue for the three months ended June 30, 2017, down from \$25.0 million in the comparative period, or 89.7% of revenue. In the prior year, the Company earned \$20.8 million of fees related to the completion of milestones related to urban development projects, which can fluctuate from period to period depending on the development stage of active projects.
- Subsequent to June 30, 2017, Dream successfully completed an investment in a portfolio of 135 office and light industrial properties for over \$900.0 million, located in the Netherlands on behalf of Dream Global REIT (TSX: DRG.UN). The investment was partially funded through an equity offering of Dream Global REIT units for total gross proceeds of approximately \$300.0 million and a European debt offering by Dream Global REIT of \$548.3 million of euro denominated senior unsecured notes. Year to date, \$1.2 billion of assets have been invested by Dream on behalf of Dream Global REIT, further expanding the Company's asset management platform in Europe. Including this transaction, Dream's asset management platform in Germany, Austria, Belgium and the Netherlands currently oversees approximately \$4.9 billion of assets, including those held by Dream Global REIT and third party institutional investors.

Retail Developments, Investment and Recreational Properties

- We continue to make progress on our active retail development projects in Western Canada. At June 30, 2017, Dream had approximately 506,400 sf of active retail projects under construction in Western Canada, of which approximately 69% had committed leases and a weighted average lease term of 14.2 years. Dream expects to earn a development yield of approximately 7.5% on these retail projects, based on the estimated stabilized net operating income ("NOI") at completion and the total estimated cost of development, including land and excluding any rental revenue earned during the development phase. As at June 30, 2017, Dream's active retail projects under construction were recorded on the balance sheet at \$99.7 million with management's estimated value upon their respective completion dates in 2018-2020 expected to be \$163.4 million at Dream's share, using estimated stabilized NOI at completion and market capitalization rates in the range of 6.0-6.25%. For additional details please refer to page 27 of this MD&A.
- In the three months ended June 30, 2017, revenue and net operating income from recreational properties was \$10.5 million and \$3.2 million respectively, relatively consistent with that of the prior year. Year to date, net operating income has increased by \$0.5 million relative to 2016, due to exceptional results from our ski hill Arapahoe Basin ("A-Basin"). Year to date, A-Basin generated \$10.2 million of net operating income in 2017, surpassing \$9.5 million in the prior year, previously considered to be a record year. In the three months ended June 30, 2017, we started an improvement project at A-Basin which includes ski lift improvements and a terrain expansion. Upon completion of the two year project, the expansion which will add over 400 acres of skiable terrain.

Update on Liquidity Position and Other Capital Activity:

- As at June 30, 2017, we had up to \$102 million of undrawn credit availability on our operating line, providing the Company with ample excess liquidity, even before considering unencumbered assets held. As at June 30, 2017, our debt to total asset ratio was 33.6%, up slightly from 31.7% at December 31, 2016.
- As at June 30, 2017, the total fair value of the units held by Dream in the Publicly Listed Funds (collectively Dream Office REIT (TSX: D.UN), Dream Global REIT (TSX: DRG.UN) and Dream Hard Asset Alternatives Trust (TSX: DRA.UN)) was \$256.9 million, representing

approximately one-third of the Company's total market capitalization. As at August 11, 2017, the Company owned 9.1 million units in D.UN (11% of total units outstanding); 7.7 million units in DRA.UN (11% of total units outstanding) and 3.0 million units of DRG.UN (2% of total units outstanding). For additional details please refer to page 25 of our MD&A for the three and six months ended June 30, 2017.

- Dream renewed its normal course issuer bid (the "Bid"), which commenced on September 20, 2016, under which, Dream had the ability to purchase for cancellation up to a maximum number of 3.2 million Subordinate Voting Shares through the facilities of the TSX at prevailing market prices and in accordance with the rules and policies of the TSX. In the three and six months ended June 30, 2017, 3.1 million and 3.2 million Subordinate Voting Shares were purchased for cancellation by the Company at an average price of \$6.85 and \$6.84, respectively (year ended December 31, 2016 – 0.1 million Subordinate Voting Shares at an average price of \$6.94). As of June 30, 2017, Dream had purchased the maximum number of Subordinate Voting Shares under the Bid and the Bid is no longer in effect.
- Prior to May 2017, Sweet Dream Corp ("SDC"), an entity wholly owned by the President and Chief Responsible Officer of Dream Asset Management Corporation ("DAM") and Dream, owned a non-controlling interest in DAM. In May 2017, DAM received an exchange notice from SDC pursuant to the Exchange Agreement dated May 30, 2013 amongst Dream, DAM and SDC, exercising SDC's right to receive 31,533,682 newly issued Subordinate Voting Shares of Dream, representing approximately 30% of the post-issuance outstanding Subordinate Voting Shares, in consideration for the transfer of 261.52 non-voting common shares and Class C voting preference shares of DAM, representing approximately 30% of the outstanding non-voting common shares and Class C voting preference shares. Upon completion of the exchange, Dream owned 100% of the outstanding non-voting common shares and Class C voting preference shares of DAM, thus simplifying the corporate structure. Including the Subordinate Voting Shares of Dream and Class B shares held or controlled directly or indirectly, the President and Chief Responsible Officer owned an approximate 32% economic interest and 82% voting interest in the Company as at June 30, 2017.

Select financial operating metrics for the three and six months ended June 30, 2017 are summarized in the table below.

(in thousands of Canadian dollars, except per share amounts)	Three months ended June 30,		Six months ended June 30,	
	2017	2016	2017	2016
LAND DEVELOPMENT				
Lot revenue	\$ 7,101	\$ 6,426	\$ 20,241	\$ 11,530
Acre revenue	-	2,432	-	41,386
Total revenue ⁽¹⁾	\$ 7,101	\$ 8,858	\$ 20,241	\$ 52,916
Gross margin ⁽¹⁾	\$ 2,380	\$ 4,044	\$ 7,167	\$ 30,278
Gross margin (%)	33.5%	45.7%	35.4%	57.2%
Net margin ⁽¹⁾	\$ (2,297)	\$ 374	\$ (782)	\$ 23,644
Net margin (%)	n/a	4.2%	n/a	44.7%
Lots sold	61	55	158	94
Average selling price – lot	\$ 116,000	\$ 117,000	\$ 128,000	\$ 123,000
Undeveloped acres sold	-	4	-	176
Average selling price – undeveloped acres	\$ -	\$ 640,000	\$ -	\$ 235,000
HOUSING DEVELOPMENT				
Housing units occupied	46	24	77	44
Revenue ⁽¹⁾	\$ 17,649	\$ 8,798	\$ 28,937	\$ 16,354
Gross margin ⁽¹⁾	\$ 3,629	\$ 1,697	\$ 6,106	\$ 3,041
Gross margin (%)	20.6%	19.3%	21.1%	18.6%
Net margin ⁽¹⁾	\$ 329	\$ (999)	\$ 37	\$ (2,437)
Net margin (%)	1.9%	n/a	0.1%	n/a
Average selling price – housing units	\$ 384,000	\$ 367,000	\$ 376,000	\$ 372,000
Average selling price – per square foot	\$ 257	\$ 269	\$ 260	\$ 276
CONDOMINIUM DEVELOPMENT				
<i>Attributable to Dream, direct and equity accounted investments</i>				
Condominium occupancies – units, project level	1	326	2	413
Revenue	\$ 390	\$ 115,204	\$ 949	\$ 146,013
Gross margin ⁽²⁾	\$ 300	\$ 28,078	\$ 564	\$ 32,784
Gross margin (%)	76.9%	24.4%	59.4%	22.5%
Net margin ⁽²⁾	\$ (2,326)	\$ 21,070	\$ (3,609)	\$ 21,759
Net margin (%)	n/a	18.3%	n/a	14.9%
Average selling price of condominiums occupied				
Per unit	\$ 476,000	\$ 331,000	\$ 384,000	\$ 338,000
Per square foot	\$ 570	\$ 505	\$ 498	\$ 497
ASSET MANAGEMENT AND MANAGEMENT SERVICES				
Fee earning assets under management ⁽³⁾	\$ 6,913,000	\$ 6,837,000	\$ 6,913,000	\$ 6,837,000
Revenue	\$ 9,279	\$ 27,862	\$ 20,537	\$ 34,984
Net margin	\$ 7,116	\$ 24,980	\$ 16,464	\$ 29,876
Net margin (%)	76.7%	89.7%	80.2%	85.4%
INVESTMENT INCOME EARNED ON INVESTMENTS IN LISTED FUNDS				
Distributions from Dream Office REIT	\$ 3,069	\$ 887	\$ 6,001	\$ 3,511
Other distributions from listed funds	628	613	1,291	1,124
Interest and other income	1,111	1,074	1,904	1,862
Total	\$ 4,808	\$ 2,574	\$ 9,196	\$ 6,497
INVESTMENT AND RECREATIONAL PROPERTIES				
Revenue	\$ 14,813	\$ 12,648	\$ 32,956	\$ 29,154
Net margin ⁽⁴⁾	\$ 3,574	\$ 3,397	\$ 9,750	\$ 8,894
Net margin (%)	24.1%	26.9%	29.6%	30.5%

⁽¹⁾ Results include land revenues and net margin on internal lot sales to our housing division as the homes have been sold to external customers by the housing division during the year. The revenue and net margin recognized in both the land and housing divisions, have been eliminated on consolidation. For more details, please refer to page 13-14 of our MD&A.

⁽²⁾ Gross margin for condominium operations include interest expense, which is capitalized during the development period and expensed through cost of sale as units are occupied.

⁽³⁾ Assets under management and fee earning assets under management are non-IFRS measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release.

⁽⁴⁾ Net margin for investment and recreational properties includes depreciation expense.

Other Information

Information appearing in this press release is a select summary of results. The financial statements and MD&A for the Company are available at www.dream.ca and on www.sedar.com.

Conference Call

Senior management will host a conference call on August 15, 2017 at 2:00 pm (ET). To access the call, please dial 1-888-465-5079 in Canada and the United States or 416-216-4169 elsewhere and use passcode 7398 490#. To access the conference call via webcast, please go to Dream's website at www.dream.ca and click on the link for News and Events, then click on Calendar of Events. A taped replay of the conference call and the webcast will be available for 90 days.

About Dream Unlimited Corp.

Dream is one of Canada's leading real estate companies with approximately \$14.8 billion of assets under management in North America and Europe. The scope of the business includes residential land development, housing and condominium development, asset management for four TSX-listed trusts, investments in and management of Canadian renewable energy infrastructure and commercial property ownership. Dream has an established track record for being innovative and for its ability to source, structure and execute on compelling investment opportunities.

For further information, please contact:

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Non-IFRS Measures

Dream's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, Dream discloses and discusses certain non-IFRS financial measures, including: gross margin %, net margin %, assets under management, fee earning assets under management debt-to-total assets, estimated stabilized NOI and compound annual growth rate as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Dream has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to comparable metrics determined in accordance with IFRS as indicators of Dream's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures" section in Dream's MD&A for the three and six months ended June 30, 2017.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements regarding our objectives, and strategies to achieve those objectives; our anticipated 2017 net income before taxes; the future performance of our Land and Housing Development divisions, including anticipated lot sales, acre sales and housing unit occupancies; the future performance of our Condominium and Mixed Use Developments division, including unit sales and occupancies; future development plans for our Land and Housing Development businesses; future development plans of our Condominium and Mixed-Use projects, including expected residential, commercial and retail densities; the timing of construction, marketing, completion and occupancies of our Condominium and Mixed-Use projects and our Retail and Commercial Development projects; expected development yield on, the estimated value upon completion, the estimated cost of development and estimated stabilized NOI at completion of our Retail and Commercial Development projects; our improvement plans for recreational properties; and the timing of our land acquisitions and development approvals. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond Dream's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These assumptions include, but are not limited to: the nature of development lands held and the development potential of such lands, our ability to bring new developments to market, anticipated positive general economic and business conditions, including low unemployment and interest rates, positive net migration, oil and gas commodity prices, our business strategy, including geographic focus, anticipated sales volumes, performance of our underlying business segments and conditions in the Western Canada land and housing markets. Risks and uncertainties include, but are not limited to, general and local economic and business conditions, employment levels, regulatory risks, mortgage rates and regulations, environmental risks, consumer confidence, seasonality, adverse weather conditions, reliance on key clients and personnel and competition. All forward looking information in this press release speaks as of August 14, 2017. Dream does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise, except as required by law. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com).